

City of Scottsbluff, Nebraska

Monday, February 10, 2014

Regular Meeting

Item NewBiz6

Redevelopment Study Reganis

Redevelopment Study: Reganis TIF Plan

Applicant: Tim Reganis

Owner: Tim Reganis

Location: E Hwhy 26, N of 27th St.

Staff Contact: Annie Urdiales



SCOTTSBLUFF
PLANNING COMMISSION
Staff Report

To: Planning Commission
From: Annie Urdiales, Planning Administrator
Date: February 10, 2014
Subject: Redevelopment Plan – Reganis Auto Sales
Location: 1121 E. 27th St. (Blk. 9, Reganis Subdivision)

Tim Reganis is proposing to redevelop commercial property in the 1100 block of East 27th Street. Mr. Reganis has previously submitted a preliminary plat, a revised preliminary plat, and a final plat of Block 9, Reganis Subdivision. This redevelopment plan impacts [only the Reganis project, and not the rest of the area that was declared blighted and substandard.](#)

[The major improvements funded from the TIF will be site preparation \(removal of existing buried foundations and pipes\) and tiling and re-sloping of Winters Creek Canal. They will need City water and sewer for the project. It is my understanding that the developer may be requesting that paving, water, and sewer districts be formed.](#)

Mr. Reganis is applying for Tax Increment Financing and is asking that the Planning Commission review and make recommendation to City Council of this redevelopment plan. The area is part of Study Area # 7 which was designated as a blighted and substandard area in the fall of last year. Other property owners may benefit and take advantage of this study area with their own redevelopment plan.

The developer intends to use Block 9, Reganis Subdivision for auto sales and is also applying for a special use permit from the Planning Commission as the area is located in a C-2 Neighborhood Retail and Commercial Zoning District.

The redevelopment plan is attached for your review.

**CITY OF SCOTTSBLUFF
REDEVELOPMENT PLAN FOR THE
HIGHWAY 26/EAST 27TH STREET CORRIDOR**

I. INTRODUCTION.

The City of Scottsbluff, Nebraska, recognizes that blight is a threat to the continued stability and vitality of the City as a focal point of business, financial, social, cultural and civic activity of the region, and a focus of community pride and achievement. Therefore, the City has initiated a program of revitalization whose goal is to enhance the City of Scottsbluff as the center of government in the county-wide region; as the center of retail, business, industry, office, financial and entertainment activities, and of communication for the community, and as a center of tourism and meetings for the region. To reach this goal of maintaining the City of Scottsbluff as a multi-use center of the region, it will be necessary that the Highway 26/East 27th Street Corridor be strengthened by capturing a share of the anticipated private market activity within the region. This area constitutes a critical portion of the community located on a major thoroughfare. This plan seeks to enhance the Highway 26/East 27th Street corridor by assisting in the site preparation including the tiling of Winters Creek allowing for the development of a premium branded auto dealership. The level of investment to finance the needed site preparation and infrastructure will require the combined efforts of the public and private sectors.

This Redevelopment Plan covers an area consisting of 188,573 square feet located north of and adjacent to East 27th Street and east of U.S. Highway 26 which is legally described and shown on Exhibit "A", attached hereto and incorporated herein by this reference ("Community Redevelopment Area"). The Community Redevelopment Area was declared blighted and substandard by the Scottsbluff City Council on August 20, 2013. The Community Redevelopment Area has been determined, through the blight and substandard resolution, to be in need of revitalization and strengthening to ensure that it will contribute to the economic and social well-being of the City. All available evidence suggests that the area has not had the private investment necessary to contribute to the well-being of the community, nor would the area be reasonably anticipated to be developed without public action.

To encourage private investment in the Community Redevelopment Area, this Redevelopment Plan has been prepared to set forth the Highway 26/East 27th Street Corridor Redevelopment Project ("Redevelopment Project"), which is considered to be of the highest priority in accomplishing the goal of revitalizing and strengthening the Community Redevelopment Area.

II. EXISTING SITUATION.

This section of the Redevelopment Plan examines the existing conditions within the designated Community Redevelopment Area. This section is divided into the following subsections: existing land use, existing zoning, existing public improvements, and existing building condition/blighting influences.

A. Existing Land Use. The Community Redevelopment Area contains un-platted and undeveloped land consisting of approximately 188,573 square feet in addition to the adjacent Highway 26 and East 27th Street right-of-way. The Redevelopment Area is impacted by Winters Creek Canal. This use is shown on Exhibit "B".

B. Existing Zoning. The Community Redevelopment Area is zoned C-2. The intent of the Neighborhood Commercial District is to provide a zone consisting of retail stores and service establishments. The C-2 District includes a wide range of retail and service uses generally helpful to the traveling public and found along arterial roadways in the community. Some of the permitted uses include hotels/motels, banks, hospitals/clinics, restaurants/bars/taverns, and convenience stores. Special permits can be obtained for other uses, including auto sales and service establishments, hardware stores, and multi-family dwellings.

C. Existing Public Improvements.

1. Street System. There is no internal street network or system constructed within the Community Redevelopment Area. U.S. Highway 26 forms the western boundary of the Community Redevelopment Area and is constructed as a four-lane divided roadway. East 27th Street forms the southern boundary of the Community Redevelopment Area and is constructed as a four-lane roadway.

2. Utilities. The existing public utilities are available adjacent to the Redevelopment Area.

D. Existing Building Conditions/Blighting Influences. Charles K. Bunger, Attorney at Law, conducted a study entitled "Study of Blight and Substandard Conditions" dated July 7, 2013 ("Blight Study"). The "study area" for the Blight Study, which includes the Community Redevelopment Area, as well as additional property. The evaluation and subsequent findings of the Blight Study were based upon the criteria outlined in the Nebraska Community Development Law (Neb. Rev. Stat. § 18-2101 et seq.). The Blight Study determined that the study area exhibited a number of deficiencies applicable to the consideration of a "substandard and blight" designation including the existence of conditions which endanger life or property by fire or other causes, improper subdivision and dilapidation/deterioration. In addition, the Blight Study identified the existence of one condition within the study area that is a determinant of blight – the area substantially impairs or arrests the sound growth of the community and the average age of structures in the area is greater than 40 years. The City Council declared the Community Redevelopment Area blighted and substandard and eligible for a Redevelopment Project on August 20, 2013, by resolution of the Scottsbluff City Council, after a public hearing with notice

pursuant to the Community Development Law. The Blight Study is incorporated herein by this reference. A copy of the Blight Study is available at the City of Scottsbluff Clerk's Office.

III. FUTURE SITUATION.

This section of the Redevelopment Plan examines the future conditions within the Community Redevelopment Area. This section is divided into the following subsections:

- A. Proposed Land Use Plan
- B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations
- C. Relationship to Local Objectives
- D. Building Requirements and Standards after Redevelopment
- E. Proposed Changes and Actions
- F. Cost-Benefit Analysis
- G. Proposed Cost and Financing
- H. Procedure for Changes in the Approved Redevelopment Plan

A. Proposed Land Use Plan. No changes are contemplated in the current Land Use Plan for the area. However, the use of this site will go from undeveloped to developed. This plan contemplates demolition and removal of buried concrete foundations, pipes and other structures. The Redevelopment Project will primarily provide for site preparation and infrastructure for the tiling of Winters Creek for the development of a premium-branded automobile dealership. The proposed site plan for the area after completion of a Redevelopment Project is shown on attached Exhibit "C" which is attached hereto and incorporated herein by this reference. The land use plan shows a proposed Redevelopment Project including approximately 23,007 square feet of new construction for the auto dealership and approximately Most of the balance of the site will be paved. The specific site plan, land uses, open space, buildings, parking lots, are shown on Exhibit "C".

The City of Scottsbluff, will negotiate a specific redevelopment agreement with the redeveloper outlining the proposed Redevelopment Project, and what contributions are necessary from the City of Scottsbluff. In such case the written redevelopment agreement would include a site plan, Redevelopment Project description, specific funding arrangements, and specific covenants and responsibilities of the City and the redeveloper to implement the Redevelopment Project.

B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations. In accordance with Nebraska State Law, the Redevelopment Plan described in this document has been designed to conform to the City of Scottsbluff Comprehensive Plan 2004 ("Comp Plan"). The City Council finds that this redevelopment plan is feasible and in conformity with the general plan for the development of the City as a whole and the plan is in conformity with the legislative declarations and determinations set forth in the Community Development Law.

C. Relationship to Local Objectives. The Redevelopment Plan has been developed on the basis of the goals, policies and actions adopted by the City for the community as a whole and for the Highway 26/East 27th Street corridor. General goals, policies and actions relating to the community as a whole and for the Highway 26/East 27th Street corridor are contained in the Comp Plan.

D. Building Requirements and Redevelopment Standards. The redevelopment of the Community Redevelopment Area should generally achieve the following requirements and standards:

1. Population Density. There are no dwelling units currently located within the Community Redevelopment Area. The development proposed under this Redevelopment Plan does not include any residential construction. Consequently, there will be no change proposed for the permanent population density within the Community Redevelopment Area.

Redevelopment of the Community Redevelopment Area with initial development of an automobile dealership may help incent further development to both the northeastern sector of the City as well as the City as a whole. Often an investment and improvement of the magnitude proposed by this Plan has the benefit of spurring improvements in nearby commercial areas.

2. Land Coverage and Building Density. There are no existing buildings located within the Community Redevelopment Area. After redevelopment project completion, building coverage will be approximately 23,007 square feet on the ground floor. Paved parking lots are shown on Exhibit "C".

3. General Environment. This plan will redevelop a former dairy site, improve the Winters Creek canal and provide for the creation of premium auto dealership. This commercial activity will intensify and strengthen Scottsbluff as a focal point for local and regional retail sales and development.

The Plan will provide for the establishment of a vibrant regionally recognized auto sales and service facility. This activity is intended to increase the amount and variety of activity in the Highway 26/East 27th Street corridor while maintaining good traffic flow, pedestrian movement and visual interest.

The Plan provides an environment that minimizes automobile-pedestrian conflicts, assures that lighting, signs, pedestrian ways, and communication devices are oriented to the human scale and provides an attractive improvement to Winters Creek.

4. Pedestrian ways and Open Spaces. Provide a pedestrian circulation system to facilitate the movement of pedestrians to and within the major development activities within the area.

5. Building Heights and Massing. Building heights and massing for the proposed project will comply with the C-2 zone.

6. Circulation, Access and Parking. The Plan provides for vehicular access to the Community Redevelopment Area in a manner consistent with the needs of the development and the community.

The Plan provides for an adequate supply of appropriately located parking in accordance with applicable zoning district regulations. Adequate parking needs to be provided so the development does not generate parking problems for abutting commercial and residential streets.

7. Off-Street Loading, Service and Emergency Facilities. The Plan provides for consolidated off-street loading and service facilities.

The Plan provides for emergency vehicle access in a manner compatible with established design and environmental objectives.

The Plan provides a maximum floor area ratio in accordance with applicable zoning district regulations in the Community Redevelopment Area.

E. Proposed Changes and Actions. The Community Redevelopment Area is anticipated to function as an automobile sales and service business. See Exhibit "C" for an example of a conceptual land use and site plan for the Community Redevelopment Area. This section describes the proposed changes needed, if any, to the zoning ordinances or maps, street layouts, street levels or grades, and building codes and ordinances, and actions to be taken to implement this Redevelopment Plan.

1. Zoning, Building Codes and Ordinances. A substantial portion of the Community Redevelopment Area is zoned C-2 Neighborhood Commercial. No additional changes to the City's Zoning Ordinances, Building Codes, or other local ordinances are contemplated to implement this Redevelopment Plan. A special use permit will be required for the auto sales and service development.

2. Traffic Flow, Street Layout and Street Grades. The only street providing access to the Community Redevelopment Area is East 27th Street. A driveway access into the Community Redevelopment Area from East 27th Street will be utilized to access 27th Street.

3. Public Redevelopments, Improvements, Facilities, Utilities and Rehabilitations. In order to support the new land uses in the Community Redevelopment Area, the following proposed public redevelopments, improvements, facilities, utilities and rehabilitations may be needed:

- (i) Improvements to Winters Creek Canal. Installation of tiling and landscaping ;

4. Site Preparation and Demolition. Site preparation will consist of removal of buried foundations and pipes. Subject to City approval, Winters Creek will be tiled and re-sloped.

5. Private Redevelopment, Improvements, Facilities and Rehabilitation. The private improvements anticipated within the Community Redevelopment Area include , site preparation and the construction of a new automobile sales and service facility.

6. Open Spaces, Pedestrian ways, Landscaping, Lighting, Parking. The proposed site plan and private sector improvements will comply with the City's minimum open space, pedestrian way, landscaping, lighting, and parking standards as defined in the Zoning and Subdivision Ordinances, Building Codes, or other local ordinances. In addition, the City may elect to require additional standards in these areas as described in a written redevelopment agreement in order to help remove blight and substandard conditions

F. Cost-Benefit Analysis. A City of Scottsbluff Redevelopment Project TIF Statutory Cost Benefit Analysis is incorporated herein by this reference ("Cost-Benefit Analysis") and is shown on Exhibit "D". The Cost-Benefit Analysis complies with the requirements of the Community Development Law in analyzing the costs and benefits of the Redevelopment Project, including costs and benefits to the economy of the community and the demand for public and private services.

G. Proposed Costs and Financing; Statements. The City will work with the redeveloper owner of the Community Redevelopment Area to identify proposed funding, timeframe, ability to carry out the proposed Redevelopment Project, and what, if any, contributions are necessary to be made by the City of Scottsbluff.

The City will begin good faith negotiating on a specific written redevelopment agreement with the redeveloper owner of the Community Redevelopment. The written redevelopment agreement will include a site plan consistent with this Redevelopment Plan, development descriptions, specific funding arrangements, and specific covenants and responsibilities of the City and the redeveloper to implement the Redevelopment Project.

Estimated Redevelopment Project costs, including site preparation, and tiling of Winters Creek are broken down as follows:

POTENTIAL PUBLIC AND ELIGIBLE PRIVATE IMPROVEMENTS*

Winters Creek tiling	\$244,777.50
Site preparation	\$246,642.11
Plan preparation and legal	<u>\$ 25,000.00</u>
Total	\$516,419.61

The figures above are estimates. Final figures are subject to a specific site plan, design specifications, City approval and public procedures and regulations.

The Proposed Public and Private Improvements will exceed the amount of funds available from the tax-increment financing indebtedness that the City Council may elect to issue.

This Plan proposes that TIF revenues, purchased by the developer fund Winters Creek tiling and site preparation for the auto dealership. TIF funding will also provide for onsite foundation removal, and any improvements in the public right of way for driveway access for the auto dealership, to the extent of available TIF funds. The balance of private improvements shall be paid by the developer

The amount of the available proceeds for tax-increment financing is estimated at approximately \$408,000.00 assuming the auto dealership will generate an estimated property valuation of \$2,100,000.00 over the present property valuation base.

Any ad valorem tax levied upon the real property in a Redevelopment Project for the benefit of any public body shall be divided, for a period not to exceed fifteen (15) years after the effective date of such provision established in the redevelopment contract to be executed by the Redeveloper and the Community Development Agency. Said tax shall be divided as follows:

a. That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the Redevelopment Project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body; and

b. That portion of the ad valorem tax on real property in the Redevelopment Project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, a Redevelopment Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such a Redevelopment Project shall be paid into the funds of the respective public bodies.

Because the redevelopment plan proposes to use tax-increment financing funds as authorized in section 18-2147 of the Community Development Law, the City Council in approving this Redevelopment Plan will be required to find as follows:

- a. the Redevelopment Project in the plan would not be economically feasible without the use of tax-increment financing;
- b. the Redevelopment Project would not occur in the community redevelopment area without the use of tax-increment financing; and
- c. the costs and benefits of the Redevelopment Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the governing body and been found to be in the long term best interest of the community impacted by the Redevelopment Project.

H. Procedure for Changes in the Approved Redevelopment Plan. If the City of Scottsbluff desires to modify this Redevelopment Plan, it may do so after holding a public hearing on the proposed change in accordance with applicable state and local laws. A redevelopment plan which has not been approved by the governing body when recommended by the authority may again be recommended to it with any modifications deemed advisable. A redevelopment plan may be modified at any time by the authority, provided, that if modified after the lease or sale of real property in the Redevelopment Project Area, the modification must be consented to by the redeveloper or redevelopers of such property or his successor, or their successors, in interest affected by the proposed modification. Where the proposed modification will substantially change the redevelopment plan as previously approved by the governing body the modification must similarly be approved by the governing body.

EXHIBIT "A"

Legal Description

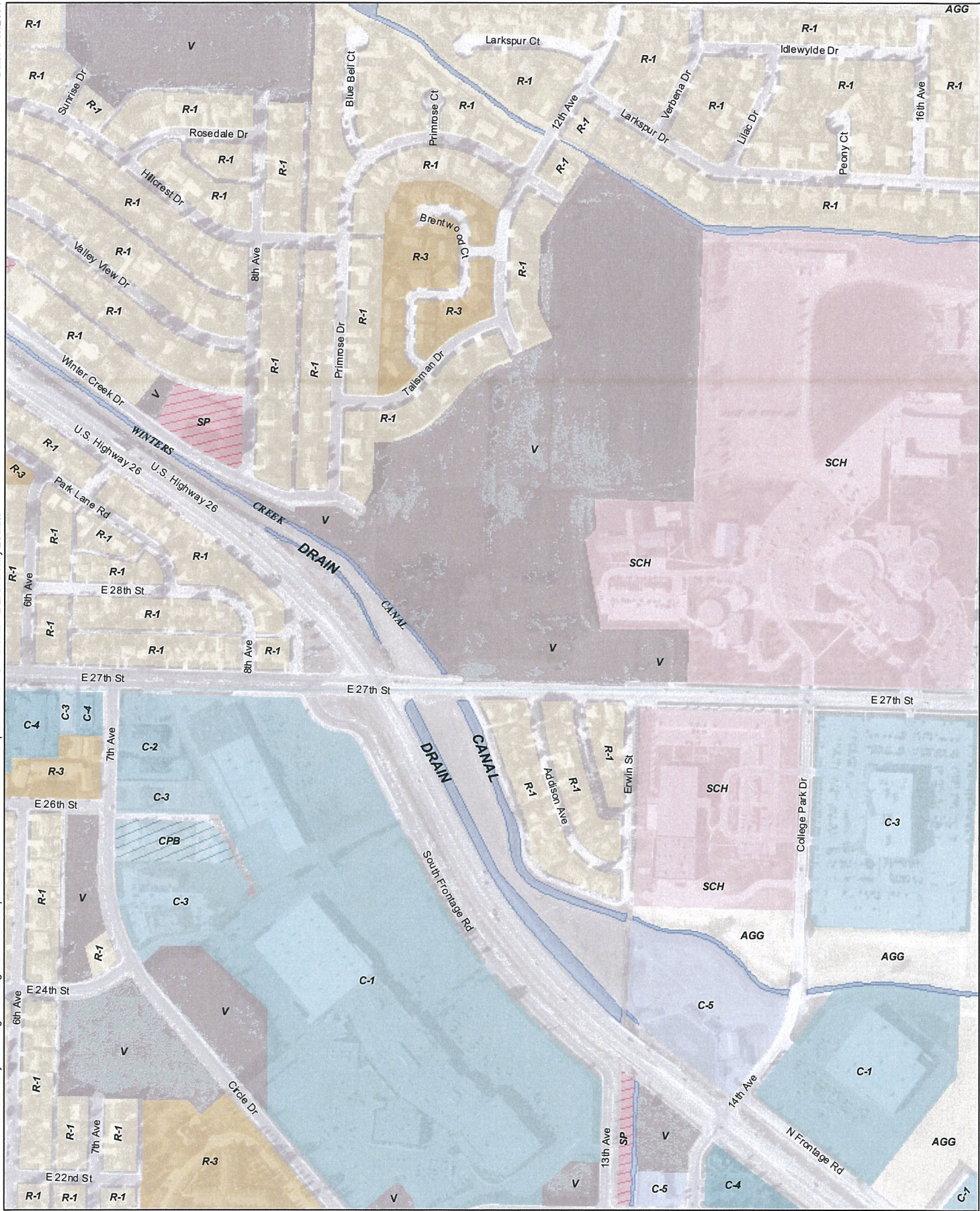
The redevelopment area shall consist of:

Block Nine, Reganis Subdivision in the City of Scottsbluff, Scotts Bluff County, Nebraska, situated in the Southeast Quarter of the Southwest Quarter of Section 13, Township 22 North, Range 55 West of the 6th P.M., Scotts Bluff County, Nebraska, more particularly described as follows:

Commencing at the South Quarter corner of Section 13, thence westerly on the south line of the Southwest Quarter of Section 13, on an assumed bearing of N88°20'42"W, a distance of 469.05 feet, to the Point of Beginning, thence continuing westerly on said south line of the Southwest Quarter of Section 13, bearing N88°20'42"W, a distance of 191.31 feet, to the point of intersection with the northerly right of way line of U.S. Highway 26, as described in Deed Book 105, page 489, thence bearing N74°49' 42"W, on said northerly right of way line, a distance of 213.92 feet, to a point being 50.00 feet north of the south line of the Southwest Quarter of Section 13, as measured perpendicular to said south line of Section 13, thence bearing S88°20'42"E, on a line being 50.00 feet north of and parallel with said south line of Section 13, a distance of 51.08 feet, thence bearing N65°56'57"W, a distance of 47.48 feet, thence bearing N39°44'17"W, a distance of 75.29 feet, thence bearing N22°33'48"W, a distance of 262.18 feet, thence bearing N40°19'59"W, a distance of 47.98 feet, thence bearing N55°43'34"E, a distance of 71.32 feet, thence bearing S88°20'01"E, a distance 507.86 feet, thence bearing S00°25'03"E, a distance of 391.35 feet, to a point being 50.00 feet north of the south line of Section 13, as measured perpendicular to said south line of Section 13, thence continuing southerly on last described course, bearing S00°25'03"E, a distance of 50.03 feet, to the Point of Beginning, containing an area of 4.67 acres, more or less.

Also, an area within the easement of Winters Creek Irrigation commencing at the northwest corner of Block Nine to a length of approximately 460 feet to the northwest along the centerline of the existing irrigation lateral.

G:\Jobs\RM130010-00 - Reganis Auto Center Site Work\Redevelopment Plan Legal description Exhibit A.docx



Land Use	Land Use	Land Use	Land Use
REDEVELOPMENT	BUSINESS COMMERCIAL BUILDING	HIGHWAY ROW	PUBLIC SEWER FACILITY
CEMETERY	COMMERCIAL - PROFESSIONAL OFFICE	INDUSTRIAL	PUBLIC WATER FACILITY
ROAD ROW	COMMERCIAL - RETAIL	JUNK YARD	RACE TRACK
RECREATION	COMMERCIAL - SERVICES	LIGHT COMMERCIAL	RAILROAD ROW
RESERVATION	COMMERCIAL - TRAVELER SERVICES	LIGHT INDUSTRIAL	RECREATION AREA
GREEN SPACE PROPOSED	TRAVELER SERVICES - PROPOSED	LIGHT INDUSTRIAL - PROPOSED	GOLF COURSE ESTATES
ACCRETION	BUSINESS HIGHWAY COMMERCIAL	MEDIUM INDUSTRIAL	SINGLE FAMILY RESIDENTIAL
REDS	BUSINESS HIGHWAY COMMERCIAL PROPOSED	OFF STREET PARKING	RESIDENTIAL - SINGLE FAMILY LIGHT DENSITY
AGRICULTURAL	BUSINESS NON-COMMERCIAL	PARK	RESIDENTIAL - SINGLE FAMILY MEDIUM DENSITY
CANAL	GOLF COURSE	PARK - STATE	RESIDENTIAL - MULTIFAMILY LIGHT DENSITY
FLOODPLAIN	GRAVEL	PARKING	RESIDENTIAL - MULTIFAMILY HIGH DENSITY
AIRPORT	GREEN SPACE	POST OFFICE	MOBILE HOME
	HEAVY COMMERCIAL	PUBLIC / SEMI-PUBLIC	

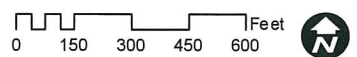
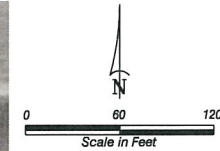


Exhibit B Existing Land Use City of Scottsbluff, NE



M. C. SCHAFF & ASSOCIATES, INC.
818 SOUTH BELTLINE HIGHWAY EAST
SCOTTSBLUFF, NEBRASKA 69361

ENGINEERS ♦ PLANNERS ♦ DESIGNERS ♦ LAND SURVEYORS
 PH: 308-635-1926 FAX: 308-635-7807 INTERNET: WWW.MCSCHAFF.COM

PROJECT: EXHIBIT C
REGANIS SUBDIVISION
SCOTTSBLUFF, NEBRASKA

CLIENT: TIM REGANIS

PROJECT NUMBER:
 RM140018-00
PROJECT DATE:
 JAN. 10, 2014
PROJECT MGR:
 C.L.N.
PROJECT TEAM:
 D.S./C.L.N./K.B.

SEAL

DATE	REVISION

SHEET 1 OF 1
EXH-C

EXHIBIT "D"
STATUTORY COST BENEFIT ANALYSIS
REGANIS REDEVELOPMENT PROJECT

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Scottsbluff has analyzed the costs and benefits of the proposed Reganis Redevelopment Project, including:

Project Sources and Uses. Approximately \$505,000.00 in public funds from tax increment financing provided by the City of Scottsbluff will be required to complete the project. This investment by the city will leverage \$2,113,581.00 in private sector financing; a private investment of \$4.18 for every city dollar investment.

Use of Funds.

Description	TIF Funds	Private Funds	Total
Winters Creek tiling	\$ 244,777.50	\$ 0.00	\$ 244,777.50
Site preparation	\$ 246,642.11	\$ 0.00	\$ 246,642.11
Legal and Plan	\$ 11,419.00	\$ 13,581.00	\$ 25,000.00
Building		\$2,100,000.00	\$ 2,100,000.00

Tax Revenue. The property to be redeveloped [combined with other land not currently to be redeveloped] is anticipated to have a January 1, 2014, valuation of \$1,442,852. Based on the 2013 levy this would result in a real property tax of less than \$30,000.00. It is anticipated that the assessed value will increase by \$2,581,418.00 as a result of the site redevelopment. This development will result in an estimated tax increase of over \$52,000.00 annually. The tax increment gained from this Redevelopment Project area would not be available for use as city general tax revenues, but would be used for eligible public and private improvements to enable this project to be realized.

Estimated 2014 assessed value[includes other land]	\$ 1,442,852.00
Estimated value after completion [includes other land]	\$ 4,024,270.00
Increment value	\$ 2,581,418.00
Annual TIF generated (estimated)	\$ 52,000.00
TIF bond issue	\$ 505,000.00

Public Infrastructure and Community Public Service Needs. The Project is not currently served by sanitary sewer and potable water by the city; therefore, those utilities will need to be extended to the development. A portion of the TIF funds may be used for drive ways in the public right-of-way.

Employment Within the Project Area. Employment within the Project Area is expected to increase to fully staff the auto dealership. Temporary construction employment will increase during the construction. The construction period is expected to exceed nine months. Current project employment is zero.

Employment in the City Outside the Project Area. The latest available labor statistics show that the Scotts Bluff County labor pool is 19,591, with a 4.3% unemployment rate.

Other Impacts. No other impacts are contemplated.

Tax shifts. No shift of taxes or other negative impact is expected.